

**Senate File 2159 - Introduced**

SENATE FILE 2159

BY MCKINLEY

**A BILL FOR**

1 An Act relating to the disposition of certain former school  
2 district funds by the director of the department of  
3 education and including effective date, validation, and  
4 retroactive applicability provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1     Section 1.  DEPARTMENT OF EDUCATION — AUTHORIZING FUND  
2 TRANSFERS — VALIDATION AND RETROACTIVE APPLICABILITY.

3     1.  a.  Notwithstanding any other statute or rule of law  
4 to the contrary, if a school district whose accreditation was  
5 removed by action of the state board of education effective  
6 July 1, 2008, had a negative fund balance in its general fund  
7 at the end of the school budget year beginning July 1, 2007,  
8 the director of the department of education is authorized  
9 to and shall approve by August 1, 2010, the transfer of any  
10 positive balance from one or more funds of the school district  
11 to the school district's general fund for the school budget  
12 year beginning July 1, 2007, and the transfer made is hereby  
13 validated and to that extent, this Act applies retroactively to  
14 July 1, 2007.

15    b.  On the date on which the director of the department  
16 of education approves the transfer of funds pursuant to this  
17 subsection, the department shall provide notice of the approval  
18 of the funds transferred pursuant to this subsection to the  
19 boards of directors of the school districts to which the former  
20 school district's territory was merged and shall transmit to  
21 the state board of education a record of the approval of the  
22 funds transferred pursuant to this subsection.

23    2.  The board of directors of a school district to which the  
24 former school district's territory was merged shall be exempted  
25 from any liability resulting from the action taken by the  
26 director of the department of education pursuant to subsection  
27 1 if the school board, within 30 days of the date on which the  
28 director of the department of education took action pursuant to  
29 subsection 1, adopts a resolution to accept the action taken by  
30 the director pursuant to subsection 1.

31    Sec. 2.  EFFECTIVE UPON ENACTMENT.  This Act, being deemed of  
32 immediate importance, takes effect upon enactment.

33                                   EXPLANATION

34    This bill provides that if a school district whose  
35 accreditation was removed by action of the state board of

1 education effective July 1, 2008, had a negative fund balance  
2 in its general fund at the time its accreditation was removed,  
3 the director of the department of education is authorized  
4 to and shall by August 1, 2010, approve the transfer of any  
5 positive balance from one or more funds of the school district  
6 to the school district's general fund. The board of directors  
7 of a school district to which the former school district's  
8 territory was merged is exempt from any liability resulting  
9 from the transfer if the school board, within 30 days of the  
10 date the director takes action to transfer the funds, adopts a  
11 resolution to accept the action taken by the director.

12 On the date on which the director approves the transfer of  
13 funds, the department must provide notice of the director's  
14 approval of the funds transfer to the affected school boards  
15 and shall transmit to the state board of education a record of  
16 the director's approval of the funds transfer.

17 The bill takes effect upon enactment.